

Walter Scott's **personality parade**

Q. It's been rumored that William Casey's days as head of the CIA are numbered. Who appointed him and why?—M.O., Wilmette, Ill.

A. The appointment of William J. Casey, 68, was a political payoff by President Reagan to the man who took over his 1980 campaign when it was foundering in New Hampshire. Despite his blatantly incomplete financial report and accusations of possible stock fraud, Casey was blithely confirmed by the U.S. Senate—whereupon he unwisely appointed Max Hugel, an old Brooklyn friend, to run the CIA's vital cloak-and-dagger operations. The appointment of Hugel, a man with no visible qualifications, to such an important post outraged many career intelligence officers. Subsequently, in the wake of allegations concerning stock market manipulations in 1974, Hugel resigned. A day later, Casey's own murky stock market history was leaked—supposedly by CIA "Ivy Leaguers" who did not regard Casey, a graduate of Fordham University and St. John's Law School, as particularly qualified either. This gave rise to a spate of stories that Casey also would resign, but Reagan rescued him by expressing "continued confidence."

Casey's reputation, however, has been tarnished, and he lacks the support of some key Senators on the Intelligence Committee. No. 2 man at the CIA is Adm. Bobby R. Inman, a favorite of Sen. Barry Goldwater. Should Casey be guilty of another major goof, Inman will probably succeed him.

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PROGRAM Good Morning America STATION WJLA TV
ABC Network

DATE September 15, 1981 7:00 AM CITY Washington, DC

SUBJECT Boris Korchak

JACK ANDERSON: This morning I want to tell you the story of a spy who tried to come in out of the cold, but the Central Intelligence Agency left him to freeze. The man's name is Boris Korchak. He was an escapee from a Communist prison camp. For six years he worked for the CIA. He passed secret information to our Intelligence agents. Now, he took no money for this dangerous work. He says he was motivated by ideology. He simply preferred democracy to Communism.

Well, ultimately, Korchak got involved in an even more dangerous game. He became a double agent and pretended to work for the Soviet secret police, the KGB.

Well, a year and a half ago, Korchak's cover was blown. He had to flee from Denmark. Luckily, he was able to get his wife and children out. They came to the United States. Korchak thought he would be welcomed for a job well done. But the CIA gave Boris Korchak no help at all, nothing. The CIA at first pretended it'd never heard of him.

Well, in desperation, Korchak looked elsewhere for help. He finally found it in Iowa Senator Charles Grassley. Well, of course, the Senator had doubts about Korchak. But he talked to the CIA's deputy chief, Admiral Bobby Inman. There's now no doubt about it. Inman confirmed that Korchak had worked for the CIA. Yet, incredibly, the CIA still won't help its former agent, but has left him on his own. All he has is a visitor's visa that expires on Wednesday. He can't get work legally on a visitor's visa, even if it's extended. He may have to return to Europe.

In that case, he told me, "I am a dead man."

CIA fears form will spill secrets probe

By JOE TRENTO

Staff reporter

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WASHINGTON — Battered by a decade of scandal, the CIA is being threatened with a new round of damaging revelations by a renegade agent who has been indicted for plotting a political assassination for Libya's Col. Moammar Khadafy.

Edwin P. Wilson, the former agent, is now an international arms dealer and Khadafy's key military adviser. CIA officials believe that unless the charges and continuing federal probe of Wilson are dropped Wilson will disclose

- CIA payoffs to Egyptian President Anwar Sadat, who stashed millions of American dollars in a Swiss bank account and used the funds to further his domestic political aspirations.

- A CIA-backed scheme to steal \$600 million from the Iranian national treasury and give it to the late Shah of Iran.

- Bribes Wilson made to 16 members of Congress to grease the way for his free-wheeling business schemes.

Wilson was indicted 18 months ago for his part in a conspiracy to murder one of Khadafy's political opponents.

In addition, Wilson was indicted for offering two former Cuban CIA contract men \$1 million to kill a political opponent of Moammar Khadafy. He and a subordinate were also indicted for illegally shipping high explosives to Libya.

Top CIA officials, Wilson's colleagues and former employers, have told the Sunday News Journal that Wilson has threatened officials at the agency with "graymail" if he is arrested. Graymail, a term coined by lawyers, means a threat by a government official with access to secrets to reveal some of those secrets to avoid prosecution.

Wilson, who is 53, joined the CIA in the 1950s. In the next decade he was involved in several attempts to overthrow Cuban Premier Fidel Castro. He trained anti-Castro forces for the disastrous Bay of Pigs invasion. In an operation code named JM WAVE he was responsible for additional harassment of the Cuban dictator.

He spent much of the 1960s in Vietnam and Cambodia. After his return to Washington in 1971 he became the CIA's secret representative on Task

Force 157, a Navy intelligence operation.

Task Force 157 was involved in tracking Soviet forces. Also, it functioned as covert communications channel for Henry Kissinger, President's national security advisor, at the time of the secret China talks and Kissinger's "shuttle diplomacy."

The operation was also a steppingstone that Wilson needed to begin wheeling and dealing on a global scale. According to confidential sources, he used his position and contacts to establish — and profit from — scores of businesses fronting for various intelligence agencies. He started out as a "5-percenter," taking a slice off the top, and expanded into large-scale double-dealing and extortion from merchants doing business with government agencies. It was — and is — say federal investigators and two former employees, an illicit empire stretching from Wilson's \$5-million horse farm south of Washington to the Middle East, all protected by the senators and representatives and intelligence officials on his payroll.

Wilson has repeatedly evaded arrest, on one occasion by producing a new passport and travel documents after his were confiscated. According to E. Lawrence Barcella Jr., the prosecutor in his case, Wilson has even traveled in the United States since his indictment, and escaped capture.

According to a top CIA official who recently met with him, Wilson possesses proof of payoffs by the CIA to Sadat from the earliest days of his political career. Wilson also was responsible for paying Sadat's family and aides millions of dollars. The money was sold to Egypt and other Middle Eastern nations, the official says.

Patrick Judge Jr., 34, both ex-intelligence operatives, told the Sunday News Journal that they had played roles in the payoffs to congressmen and in the scheme to remove the Shah's money.

Both Judge and Mulcahy have been questioned by FBI agents and federal prosecutors.

According to Judge and Mulcahy, Wilson made the payoffs through his Consultants International Corp. and used former CIA and other military and intelligence veterans in his employ to procure consulting business through bribes, the use of prostitutes and lavish entertaining on his Virginia estate.

According to Judge and Mulcahy, any vendor who wanted to sell items to the CIA, Office of Naval Intelligence, Defense Intelligence Agency, Army Intelligence and others had to use Wilson's firm.

"It didn't matter if it was sophisticated stuff or toilet paper, . . . a lot of businessmen who had gone to their congressmen were told to deal with Ed," Judge said in an interview.

"Ed Wilson treated these senators and congressmen so well that when some businessman wanted to sell to the Pentagon or the CIA they were told automatically that Consultants International was the firm that he said.

Wilson had also arranged for kickbacks to procurement officials in various agencies.

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12 September 1981

Firearms Bureau Investigation *Justice Dept. Sent Briber*

By Patrick E. Tyler and Al Kamen
Washington Post Staff Writers

Federal investigators pursuing a "terrorism for hire" case against two former CIA agents have referred at least two cases of alleged bribery to the Justice Department for possible prosecution.

One case involves a former congressional liaison for the Army Materiel Command and later the Federal Energy Administration.

The bribery allegations, still under investigation, are contained in investigative case summaries compiled over the past two years by agents of the Treasury Department's Bureau of Alcohol, Tobacco and Firearms (BATF). The agents are part of a team of federal investigators that has constructed a broad criminal conspiracy case against ex-CIA agents Edwin P. Wilson and Francis E. Terpil.

The alleged conspiracy, spelled out in an April, 1980, grand jury indictment naming both men, involved the shipment of high explosives, electronic timers, prohibited night vision equipment and commando training for the regime of radical Libyan dictator Col. Muammar Qaddafi. It included an alleged \$1 million assassination attempt on behalf of Qaddafi against a dissident Libyan expatriate.

Prosecutors assigned to the case, E. Lawrence Barcella and Carol E. Bruce, said they had "absolutely no comment" on the report.

In their summary, BATF agents state that Wilson and Terpil's activities in Libya have demonstrated "that the United States, in effect, has become a major supplier of hardware and technology in support of worldwide terrorism."

In part to further these alleged efforts, the confidential report continues, "They [Wilson and Terpil] are also known to bribe U.S. government officials to enhance their businesses as evidenced by the Paul Cyr referral and the William Weisenburger referral." Referral means that the cases are sent to the Justice Department for further investigation and possible prosecution.

Cyr, 60, a longtime Capitol Hill fixture in lobbying circles, was the chief congressional liaison for the Army Materiel Command during much of the 1960s and early 1970s. In the mid-1970s, he became the chief congressional advocate for the Federal Energy Administration (FEA) and when the FEA was succeeded by the Department of Energy, Cyr became the deputy director for congressional relations. He was not available for comment.

Weisenburger, a longtime CIA engineer, was fired

from his post in 1977 by then-CIA Director Stansfield Turner for assisting Wilson in constructing 10 prototype delayed-action timers for in bombs in Libyan terrorist programs. Weisenburger also was available for comment, but a source close to the family said that he was not aware of the bribery allegations against him. The source said that Weisenburger felt he had been "duped" by Wilson into assisting with the electronic timer construction while on active duty with CIA.

Cyr, an avid sportsman with hunting partners have included several congressmen, distinguished himself for behind-the-lines commando experience in World War II where he served in the Office of Strategic Services (OSS), a predecessor of the CIA.

The investigative report does not go into detail about the bribery allegations, but several sources familiar with the investigation said that they concerned alleged payments to Cyr to protect and promote Wilson's interests at a time when Wilson was trying to maintain his influence on

Capitol Hill in support of highly classified intelligence projects and other ventures involving the string of companies he ran out of offices at 1425 K Street NW. There is no indication in the report that Cyr knew anything about Wilson's Libyan activities.

Also included in the dozens of pages of investigative summaries are new and revealing details about the Wilson-Terpil operation:

- Wilson and Terpil allegedly lured three Cuban CIA contract agents to Geneva in September, 1976, by implying that their mission would be to assassinate, for the CIA, notorious international terrorist Illich Ramirez Sanchez, better known as "Carlos," and who is believed to be the planner of the 1972 Munich

how to build bombs and other terrorist devices. The desert resort proposal never materialized.

- Prosecutors have obtained secret tape recordings of Wilson conversations with his onetime secretary, Eula Harper, who is cooperating with the grand jury investigation under a grant of immunity. Harper is the wife of John Henry Harper, one of the first explosives experts recruited by Wilson from the ranks of his former CIA colleagues to help the Libyans build exploding lamps, ashtrays, coat hangers, teapots and other terrorist instruments.

The purpose of these exploding devices, which were assembled in a hideaway desert laboratory at the Winter Palace of Libya's deposed monarch, King Idris, according to the investigative summary, was described by Wilson: "You know, the colonel [Qaddafi] may sometimes have some young colonels or some officers or something that are getting out of line that he wants to send a present to."

The federal investigators, pursuing Wilson's worldwide business network and his effective use of former military and intelligence personnel, concluded: "Former Central Intelligence Agency personnel, military special forces personnel and U.S. corporations combine to supply products and expertise to whoever can pay the price."